

MINUTES OF THE MARCH 1, 2002 DRINKING WATER BOARD MEETING HELD IN ST.  
GEORGE, UTAH

Board Members Present

Boyd Workman, Chairman  
Dale Pierson, Vice Chairman  
Anne Erickson, Ed.D.  
Chris Webb  
Jay Franson, P.E.  
Myron Bateman  
Richard Roper  
Ruth Perry

Board Members Excused

Dianne Nielson, Ph.D.  
Don Hayes, Ph.D.  
Nancy Melich

Staff

Kevin Brown  
Michael Georgeson  
Bill Birkes  
Ken Wilde  
Linda Matulich

Guests

Dave Bunker, Rocky Ridge Town  
Scott Rogers, Zion  
Kevin Carter, Minersville Town  
Chris Ballard, Garden City  
Ilene Jeffs, Rural Water Association

Guests Continued

Wayne Thomas, DEQ  
Doug Nielsen, Sunrise Engineering, Inc.  
David Stringham, Garden City  
Troy Anderson, Garden City  
Kenneth Hansen, Mayor, Garden City  
Bruce Leonard, Brigham City  
Blair Blonquist, Brigham City  
Russ Donoghue, Rural Water Association  
Tim Beaver, Angell Springs SSD  
Debbie Beaver, Angell Springs SSD  
Michael Shaw, Washington City  
Marv Wilson, Sunrise Engineering, Inc.  
Terrill Clove, Mayor, Washington City  
Dustyn Shaffer, Washington City  
Curtis Ludvigson, Rural Water Association  
John Chester, Sunrise Engineering  
Paul Wright, Franson-Noble Engineers  
Darrell Allred, Mayor, Town of Rocky Ridge  
G.D. Webster, Tooele City  
Casey Reynolds, Town of Rocky Ridge  
David Snow, Franson-Noble Engineers  
Eric Franson, Franson-Noble Engineers  
Phylip Leslie, Minersville Engineer  
Val Kofoed, Sunrise Engineering  
Ben White, Forsgren Associates  
Steve McIntosh, Salt Lake County Service Area #3  
Keith Hanson, Salt Lake County Service Area #3  
Robert Craw, Minersville City  
Rex Ausburn, Boyle Engineering  
Meladean Carter, Minersville City  
Chuck Jeffs, Rural Water Association

## ITEM 1 - CALL TO ORDER

The Drinking Water Board convened in St. George, Utah with Chairman Workman presiding. The meeting was called to order at 1:30 p.m.

## ITEM 2 - ROLL CALL

Chairman Workman asked Kevin Brown to call roll of the Board members. The roll call showed there were 7 members present at the time.

Anne Erickson joined the meeting.

## ITEM 3 - INTRODUCTIONS

Chairman Workman welcomed everyone and asked the guests to introduce themselves.

## ITEM 4 - APPROVAL OF MINUTES

Chairman Workman stated a motion to approve the January 11, 2002 minutes would be in order.

**Dale Pierson moved to approve the January 11, 2002 minutes.**

**Ruth Perry seconded.**

**CARRIED  
(Unanimous)**

## ITEM 5 - STATE REVOLVING LOAN FUND (SRF)/CONSERVATION COMMITTEE

a) SRF/Conservation Report

1) Status Report

Michael Georgeson reported the Board has available \$2,083,000 in the State SRF account, \$644,700 in the Security Account, and \$297,000 in the Secondary Account and Hardship Grants for a total of \$3,0250,000. This includes most of the loan payments.

Mike mentioned staff did receive an adjustment in the Sales Tax Revenue for the month of December of a little more than \$239,000.

Mike mentioned the Board has \$7,231,000 available in the Federal program.

Mike said staff has scheduled Milford's loan closing for April. Staff closed loans for Eureka and Kane County last month. Staff has been working with Draper Irrigation on their project. Pleasant Grove is expected to close sometime in April.

Mike said some additional information of the Water Rate Needs Study has been placed with the other handouts. Tim put together a graph of the state's water bills for the past several years. Mike reviewed the Water Rate Needs Study and graph.

## 2) State SRF Applications

### a) Enoch - Deauthorization

Dale Pierson mentioned at the January 11, 2002 Board meeting, the Board authorized a \$110,000 loan to Enoch City. The Mayor and City Council indicated they do not wish to utilize the loan, and have asked to have the loan deauthorized.

**Richard Roper moved the Board deauthorize the \$110,000 loan given to Enoch City at the January 11, 2002 Board meeting.**

**Anne Erickson seconded.**

**CARRIED  
(Unanimous)**

### b) Angell Springs - Change Scope

Dale Pierson mentioned Angell Springs made a request for a change in the scope of work of their project that was authorized at the June 9, 2000 Board meeting.

Debbie Beaver, Angell Springs representative, addressed the Board.

Debbie Beaver thanked the Board for considering a request for a change of scope for their project. Debbie said there are three issues they have to deal with right now: 1) the dedicated line project, 2) spring box repairs, and 3) developing a second source of water. Debbie said over the past several years they have tried to prioritize and complete projects when money has been available for a project. Debbie gave some more information on their request.

Discussion followed.

**Chris Webb moved the Board to authorize the SRF/Conservation Committee's recommendation and authorize a change in the scope of work and allow the District to utilize the money for completion of their well.**

**Richard Roper seconded.**

**CARRIED  
(Unanimous)**

c) Garden City - Design Advance

Dale Pierson mentioned Garden City has requested a design advance.

Ken Hansen, Mayor of Garden City, and Doug Nielson and Val Kofoed, Sunrise Engineering, addressed the Board.

Mayor Hansen said Garden City is requesting funds for a design advance to try to find a way to make their water safer and cleaner for the residents to drink.

Doug Nielson and Val Kofoed gave some background information on Garden City's request.

Garden City has a Swan Spring source that is under the direct influence of surface water. Garden City is concerned about possible health risks to the community. The City needs an adequate water source for growth they are experiencing.

Discussion followed.

**Jay Franson moved the Board authorize the SRF/Conservation Committee's recommendation and authorize a design advance of \$33,000, repayable at an interest rate of 5.26% over a 5-year term with the condition that the town, at their option, can repay the amount earlier without any penalty if funding for a larger project includes repayment of this advance.**

**Richard Roper seconded.**

**CARRIED  
(Unanimous)**

d) Minersville - Supplemental Authorization Request

Dale Pierson invited representatives from Minersville to address the Board.

Phylip Leslie, Engineer for Minersville, addressed the Board.

Minersville Town was previously authorized a \$200,000 grant and a \$400,000 loan from the Board with a provision that the Town comes back to the Board with some firmer numbers on what is needed for their project and the Board would reconsider their request at that time. The school district in Minersville constructed an elementary school in an area that doesn't have enough fire suppression flow or pressure that is required by the fire code. There have also been some additional homes built in the same area. Leslie & Associates recommended construction a 0.5 MG storage tank at a higher elevation, some improvements on the distribution system and a booster pump station.

Mr. Leslie, Leslie & Associates, gave some further information on Minersville's request.

Discussion followed.

**Jay Franson moved the Board authorize the SRF/Conservation Committee's recommendation of additional funding at the same rate and terms as previously authorized, namely one third grant (additional \$47,310) and two thirds loan (additional \$70,000) at an interest rate of 3.14% for a term of 20 years.**

**Myron Bateman seconded.**

**CARRIED  
(Unanimous)**

**e) Rocky Ridge - Loan Application**

Dale Pierson invited representatives from Rocky Ridge to address the Board.

Jay Franson declared a conflict of interest and abstained from voting. Mr. Franson stayed in the room.

Rocky Ridge Town is requesting assistance from the Drinking Water Board for constructing a 500,000 gallon storage reservoir. Rocky Ridge has also contacted the Permanent Community Impact Board requesting funding assistance from them also.

Darrell Allred, Mayor Rocky Ridge, gave some additional information on their project. Franson-Noble Engineers is assisting Rocky Ridge on their project.

Discussion followed.

**Anne Erickson moved the Board authorize the SRF/Conservation Committee's recommendation authorizing a grant of \$127,000 and a loan of \$215,000 at an interest rate of 3.59% for a term of 20 years.**

**Chris Webb seconded.**

**CARRIED**

**7 voted yes.**

**Jay Franson abstained.**

**f) Washington City - Loan Application**

Dale Pierson invited representatives from Washington City to address the Board.

Sunrise Engineering, Washington City's engineering firm, recently completed a culinary water master plan. Washington City has an immediate need for additional culinary source water. Washington City evaluated different options of buying water from different entities. Sunrise Engineering has recommended constructing a membrane filtration treatment plant to treat 1,300 acre-feet of untreated water from Quail Creek Reservoir. Washington City will be donating \$100,000 of

their own money toward the project. Washington City is seeking some money from Rural Development. The total project is estimated at costing \$3,184,700.

Terrill Clove, Mayor Washington City, gave some further information on their project.

Washington City representatives addressed the Board and answered questions.

Discussion followed.

**Chris Webb moved the Board authorize the SRF/Conservation Committee's recommendation authorizing a loan of \$685,000 to Washington City at an interest rate of 2.59% for a term of 20 years.**

**Ruth Perry seconded.**

**CARRIED  
(Unanimous)**

### 3) Federal SRF Applications

#### a) Brigham City - Change Scope

Ken Wilde mentioned the original scope of work for Brigham City was for a 5,000,000 gallon water storage tank which is almost completed. Final inspection of the tank was made last week. Brigham City agreed to pay \$200,000 toward the project. Due to getting some excellent prices on a tank and an earth moving contractor, Brigham City was able to get a lower price for the project. Brigham City has about \$450,000 left over. Brigham City is requesting a change to their scope of work to allow for construction of a new well. A new well will help decrease Brigham City's dependency on Mantua's water supply.

Bruce Leonard and Blair Blonquist, representatives from Brigham City, addressed the Board.

Discussion followed.

**Jay Franson moved the Board authorize the SRF/Conservation Committee's recommendation to approve the change of scope of work for the project and allow Brigham City to use the remaining funds to construct a new drinking water well.**

**Richard Roper seconded.**

**CARRIED  
(Unanimous)**

#### b) Spanish Valley Water & Sewer Improvement District - Supplemental Authorization Request

Dale Pierson declared a conflict of interest and abstained from voting. Dale stayed in the room and made a presentation. Dale turned the agenda item over to Anne Erickson.

Ken Wilde mentioned Spanish Valley has a \$3,000,000 loan with a 20% principal forgiveness project with the Board. Spanish Valley had to drill a lot of wells to try to find some water. Spanish Valley has requested an increase of \$335,000 of their loan to help pay for the drilling of extra wells. Spanish Valley has \$112,000 they can contribute to the project. A water rights protest has been filed with the Division of Water Rights. Spanish Valley will have to pay some attorney and engineering expenses, and don't have a final bill yet. Spanish Valley has made a verbal proposal: 1) the Board authorize a \$335,000 loan increase with a 20% principal forgiveness so the project can be completed, and 2) after the water rights protest is settled, the District will pay the remaining balance of \$112,000 to the State. Eighty percent (80%) would be used to pay off the principal balance of the loan. Twenty percent (20%) would be returned to the State for the proportionate share of the principal forgiveness.

Dale Pierson addressed the Board and gave some further information on their project.

Discussion followed.

**Myron Bateman moved the Board authorize the SRF/Conservation Committee's recommendation to increase the loan to the District by \$335,000 at the terms requested.**

**Chris Webb seconded.**

**CARRIED**

**7 voted yes.**

**Dale Pierson abstained.**

#### c) Priority List - Revisions

Ken Wilde mentioned the Project Priority List has some minor changes. Three projects have been added to the list: 1) Interlaken Mutual Water Company, 2) Tooele County Special Improvement District and 3) Morgan City. Three projects have been deleted from the list: 1) Riverview City, 2) Roosevelt City and 3) Springdale City. Three projects have been funded through the State SRF Loan Program: 1) Kane County Water Conservancy District, 2) Minserville City and 3) Price City. One project has been funded through another agency: 1) Hanna City. Ken gave some additional information on the projects.

Discussion followed.

**Chris Webb moved the Board authorize the SRF/Conservation Committee's recommendation to approve the updated Project Priority List.**

**Ruth Perry seconded.**

**CARRIED  
(Unanimous)**

#### 4) Revisions to Rules R309-700 and 705

Mike Georgeson mentioned staff has prepared some proposed changes to the loan program rules.

Rule R309-700:

Mike said there are a number of housekeeping changes. The major changes would be some additions to the definitions which are in Section 3 that are underlined and are in italics.

Mike suggested some changes in the wording for the definition of "Eligible Water System" means any drinking water system which is a political subdivision of the state to read: **means any community public drinking water system owned by a political subdivision of the state.**

Dale Pierson had a concern with the "Technical Assistance" definition.

Chris Webb suggested adding the wording **"identify and/or correct"** to the Technical Assistance" definition: Technical Assistance means financial assistance provided for a feasibility study or master plan, to **"identify and/or correct"** system deficiencies . . . . .

Discussion followed.

Myron Bateman left the Board meeting.

**Jay Franson moved the Board authorize staff to proceed with the public comment period, and the rule is sufficient for the public comment process.**

**Jay Franson amended his motion to include the above stated changes.**

**Anne Erickson seconded.**

**CARRIED**

**7 voted yes.**

Myron Bateman returned.

Rule R309-705:

Mike Georgeson mentioned there are several reference changes in the rule, which are interlined and underlined in the rule. Mike commented on the three added definitions and some other changes to R309-705. One of the more major changes in the rule would be striking out item e under (3) on page 5 on second home subdivisions.



Mike suggested that under the “Disadvantaged Communities” definition, page 1, to drop the period at the end of the text: “. . . individual income tax returns excluding zero exemption returns.” **and add: or the estimated annual cost of drinking water service for the average residential user that exceeds 1.75% of the median adjusted gross household income (MAGI) from the most recent available State Tax Commission records.**

Chris Webb suggested adding the wording “**identify and/or correct**” to the Technical Assistance” definition: Technical Assistance means financial assistance provided for a feasibility study or master plan, to “**identify and/or correct**” system deficiencies . . . . .

Discussion followed.

**Chris Webb moved the Board authorize staff to proceed with the public hearing comment period with the above stated changes.**

**Anne Erickson seconded.**

**CARRIED  
(Unanimous)**

Myron Bateman left the meeting.

**NEW ITEM 6 - FIVE YEAR REVIEW CERTIFICATION RULES FOR WATER SUPPLY  
OPERATORS - R309-300**

Chairman Workman mentioned this is a new agenda item, and a motion needs to be made to add this to the agenda.

**Dale Pierson moved the Board add this agenda item to the Board meeting.**

**Richard Roper seconded.**

**CARRIED**

**7 voted yes.**

Kevin Brown mentioned the rules need to be reviewed and officially renewed through the Division of Administrative Rules every five years. Rule R309-300 - Certification Rules for Water Supply Operators is due for the five-year review.

Discussion followed.

Myron Bateman returned.

**Chris Webb moved the Board authorize the staff recommendation to proceed with rulemaking and file the appropriate forms with the Division of Administrative Rules for the five-year review of R309-300.**

**Richard Roper seconded.**

**CARRIED**

**7 voted yes.**

**ITEM 7 - ANTIMONY EXEMPTION EXTENSION FOR ALTA AND SALT LAKE COUNTY  
SERVICE AREA # 3 - SNOWBIRD**

Kevin Brown mentioned at the last Board meeting the Board discussed the five-year exemption on Antimony for Alta and the Salt Lake County Service Area # 3 - Snowbird. At the time of the first exemption for Alta and Snowbird, the federal rule allowed for two consecutive 5 year exemptions. After the first exemption was granted in 1998, EPA changed the exemption requirement to be reduced from 5 years to 2 years, and the state agencies could grant up to 3 consecutive 2 year exemptions. It is staff's interpretation that since EPA's rules changed during the first 5-year exemption, that staff now has the authority to grant 3 consecutive 2 year exemptions on top of the 5-year exemption already in place.

Kevin mentioned staff has received some written comments from Wesley Odell this week.

Kevin said Mr. Odell has two requests: 1) to delay the close of the comment period until March 28, 2002 and any follow-up hearing dates accordingly so that Mr. Odell and others may prepare and submit responsible comments, and 2) if the Board does not grant this courtesy given the failure of the Division to fulfill its commitment to notify him prior to the January hearing, then do not grant a blanket five year moratorium without meaningful intermediate dates when defined accomplishments must be achieved.

Kevin gave some additional information on the Antimony issue since the last Board meeting.

Keith Hanson, Salt Lake County Service Area # 3 representative, addressed the Board. Mr. Hanson indicated the technology that looked promising in January was not promising now.

Discussion followed.

**Dale Pierson moved the Board authorize a two-year extension on the Antimony issue and to write a letter to Mr. Odell.**

**Richard Roper seconded.**

**CARRIED  
(Unanimous)**

**ITEM 8 - CHAIRMANS REPORT**

a) Thank You Recognition - Mayor Richard Roper

Chairman Workman made a presentation to Mayor Richard Roper for the time he spent on the Board and thanked him for his service.

Mayor Roper thanked everyone.

Chairman Workman appreciated Kevin's comments on the funding situation for the Division and for the Board.

Kevin gave some additional information on the funding issues.

Discussion followed.

#### ITEM 9 - DIRECTOR'S REPORT

Kevin Brown said he has been sending out e-mails to the Board members over the last couple of weeks on legislative and Olympic updates. The Rural Water Association drafted and approved a resolution to the legislature on using water loan funds to help out the budget.

No other business.

#### ITEM 10 - NEWS ARTICLES

News articles are in the packet.

#### ITEM 11 - LETTERS

Letters are in the packet.

#### ITEM 12 - UPDATE

Update is in the packet.

#### ITEM 13 - NEXT BOARD MEETING

The next Board meeting will be held on April 12, 2002 in Pleasant Grove, Utah.

#### ITEM 14 - OTHER

No other business.

ITEM 15 - ADJOURN

Chairman Workman stated a motion to adjourn the Board meeting was in order.

**Richard Roper moved to adjourn the Board meeting at 3:30 p.m.**

**Chris Webb seconded.**

**CARRIED  
(Unanimous)**

Linda Matulich  
Recording Secretary